VZCZCXRO8540 RR RUEHCN RUEHGH DE RUEHGH #0314/01 1970205 ZNR UUUUU ZZH R 160205Z JUL 09 FM AMCONSUL SHANGHAI TO RUEHC/SECSTATE WASHDC 8125 INFO RUEHBJ/AMEMBASSY BEIJING 2952 RUEHCN/AMCONSUL CHENGDU 2109 RUCPDOC/DEPT OF COMMERCE WASHINGTON DC RUEHGZ/AMCONSUL GUANGZHOU 0566 RUEHHK/AMCONSUL HONG KONG 2278 RHEHAAA/NSC WASHINGTON DC RUEHSH/AMCONSUL SHENYANG 2100 RUEHIN/AIT TAIPEI 1897 RUEHGH/AMCONSUL SHANGHAI 8776

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SENSITIVE SIPDIS

STATE ALSO FOR INR/B USTR FOR CHINA OFFICE - AWINTER, TWINELAND; IPR OFFICE - KALVIREZ; AND OCG - TPOSNER DOC FOR ITA/MAC: SZYMANSKI LOC/COPYRIGHT OFFICE - STEPP USPTO FOR INT'L AFFAIRS - LBOLAND DOJ FOR CCIPS - TNEWBY FBI FOR LBRYANT DHS/ICE FOR IPR CENTER - DFAULCONER DHS/CPB FOR IPR RIGHTS BRANCH - GMCCRAY NSC FOR JIM LOI

E.O. 12958: N/A

TAGS: $\underline{\text{CH}}$ $\underline{\text{ECON}}$ $\underline{\text{KIPR}}$ $\underline{\text{PGOV}}$ $\underline{\text{PINR}}$ SUBJECT: THE COORDINATION MECHANISM AND PERSONALITIES THAT MAKE SHANGHAI'S IPR SYSTEM TICK

(SBU) Summary: Shanghai has often been cited by the U.S. business community as the "diamond in the rough" when it comes to intellectual property protection in China. The highest levels of Shanghai Government have publicly declared the city's commitment to IPR, largely as a means to spur innovation and continued investment in Shanghai's burgeoning high tech sectors, and Shanghai's lower ranking administrative officials have largely followed suit. While the administrative IP structure is similar to other cities in China, Shanghai has super charged its coordinating body, the Shanghai Intellectual Property Joint Council (Lianxi Huiyi),, resulting in a more unified effort to protect IPR. Highly skilled key officials, working in tandem, have made all the difference in moving Shanghai to the forefront of China's efforts to provide both foreign and domestic IP the protection it is due. Chief among these officials are Vice Mayor Zhao Wen, Vice President of the Shanghai Municipal Committee of the Chinese People's Political Consultative Congress (SCCPPCC) Gao Xiaomei, Director General of the Shanghai Intellectual Property Administration Chen Zhixing, Director General of Shanghai Copyright Bureau Jiao Yang, Deputy Director General of the Shanghai Administration of Industry and Commerce Chen Xuejun, and Vice Director of the Shanghai IP Administration Lu Guoqiang. The following is a description of the Shanghai Intellectual Property Joint Council and the key officials that put Shanghai on the cutting edge of IP protection. End Summary.

Shanghai Leads in Coordination

 $\underline{\ }$ 12. (SBU) City leaders, including Mayor Han Zheng, have publicly committed to protecting IPR and have made coordination between the city and neighboring jurisdictions a top priority. To create the local legal framework for IP protection, the Shanghai People's Committee makes all local laws related to IPR, and the Shanghai Municipal Government develops local IP regulations. Both bodies have delegated large amounts of authority to the Shanghai Intellectual Property Joint Council for the implementation and oversight of IP protection in the city. Member organizations include the Shanghai Development and Reform Commission, the Shanghai Economic and Information Technology

Commission, the Shanghai Education Commission, the Shanghai Science and Technology Commission, the Shanghai Public Security Bureau, the Shanghai Justice Bureau, the Shanghai Construction Commission, the Shanghai Agriculture Commission, the Shanghai Commerce Commission, the Shanghai Administration of Culture, Film, Radio & TV, the Shanghai Health Bureau, the Shanghai State-owned Assets Supervision and Administration Commission, the Shanghai Administration of Industry and Commerce, the Shanghai Quality and Technical Supervision Bureau, the Shanghai Food and Drug Administration, the Shanghai Copyright Bureau, the Shanghai Intellectual Property Administration, the Legal Affairs Office of Shanghai Municipal Government, Shanghai Customs, the Shanghai Urban Management Bureau, the Shanghai Culture Task Force, and the Shanghai World Expo Bureau. Guest members in the Shanghai Intellectual Property Joint Council include the Shanghai Municipal People's Congress (SMPC), the Shanghai High Court, the Shanghai No.1 Intermediate Court, the Shanghai No.2 Intermediate Court, the Shanghai Procuratorate, the Shanghai Municipal Party Committee Politics and Law Commission, and the Shanghai Municipal Party Committee Publicity Department. Shanghai IP Administration (SIPA) serves as the umbrella organization that performs many of the day-to-day coordinating functions for the Shanghai Joint Conference.

Vice Mayor Zhao Wen

13. (SBU) Zhao Wen, born in November 1956, is a native of Anhui Province. She has an "on-the-job" postgraduate degree and holds a doctorate in public administration. She served as the Deputy General Accountant and Manager of the Finance Department of the Shanghai Wujiaochang Hi-Tech Park beginning in May 1974. She

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also worked as an associate professor in the accounting department at Tongji University and as Deputy Director, and subsequently as the Director of the Economics and Management Institute of Tongji University. After leaving academia, Zhao served as the Vice Governor of Nanhui District, Deputy Chairperson of the Shanghai Committee of the Jiu San Society, member of Shanghai Municipal People's Congress Standing Committee, member of the SMPC's Economics and Finance Department, Vice Director of the Budget Working Committee of the SMPC Standing Committee, Vice Secretary-General of the SMPC Standing Committee, and Chairwoman of the Shanghai Committee of the Jiu San Society.

¶4. (SBU) She was selected to be a vice mayor of Shanghai in January 2008. Besides serving as the highest ranking Shanghai official covering IPR, Zhao is also in charge of sports, tourism, family planning, literature and history, and the protection of women's and children's rights. Zhao shows no ability to speak English, but she is friendly and has a calm demeanor. Although she has little or no formal training in IPR, she is conversant on IP issues and regularly participates in IP conferences. She is soft spoken but engaging. She also appears comfortable interacting with foreigners.

Vice President of Shanghai CCPPCC Gao Xiaomei

¶5. (SBU) Gao Xiaomei was born in 1961 and graduated from Xi'an Jiaotong University in 1982. She holds an engineering PhD and is considered a "professor-level senior engineer" in the Chinese education system. Before joining the Shanghai Municipal Government, she worked for the Shanghai Building Material Group Corporation. In December 1987, she joined the China Minge Party and now is the Director of the party. She has served as a member of the National People's Congress, the SMPC, and the Shanghai Municipal Committee of the Chinese People's Political Consultative Congress (SCCPPCC), of which she is currently a Vice Chairperson. She became the Deputy Director of Shanghai IP Administration in June, 2006. Although she no longer works in the IP Administration, she remains an avid supporter of IP protection and regularly addresses the issue in the SCCPPCC. Gao can read English but is not confident in her English

speaking abilities. She is outgoing and feels comfortable speaking with foreigners (in Chinese). She has attended numerous Consulate functions.

Director General of Shanghai Intellectual Property Administration Chen Zhixing

- 14. (SBU) Chen Zhixing graduated from Shanghai Second Medical College in 1976. He was an international visiting scholar at North Carolina State University from 1987 to 1988. In 1997 he graduated from the Master of Public Administration Program organized by the School of Law and Politics, East China Normal University (ECNU) in Shanghai. He served as the Vice President of Shanghai Second Medical University and worked as a professor in the Medical Administration Faculty from 1991 to 2003, and as the Deputy Director of Shanghai World Expo 2010 Bid Office from 2000 to 2003. He has worked as the Director General of Shanghai Intellectual Property Administration since April, 2003. Chen concurrently serves as: 1) Vice President of the China Intellectual Property Research Association; 2) Commissioner of the Policy and Administration Research Experts Group under the Ministry of Health; 3) a guest professor of Shanghai Jiaotong University and the Intellectual Property Institute of Shanghai Tongji University; and 4) a specially invited consultant of the Intellectual Property Law Research Center, East China University of Politics and Law.
- 15. (SBU) Chen has been the driving force behind the active and positive cooperation on IPR issues between the Shanghai

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Municipal Government and the U.S. Consulate General in Shanghai. While other jurisdictions in East China closed their doors to cooperation on IPR following the U.S.-initiated WTO cases against China in spring 2007, Chen ensured that cooperation in Shanghai continued without missing a beat. Chen regularly reaches out to the Consulate, asking for suggestions on how Shanghai can improve its IPR environment. For a spring 2008 conference on IPR, he asked the Consul General to speak and propose three or four concrete suggestions to the city at that event, all of which were later incorporated into the Shanghai City Government's IPR working strategy. Chen regularly attends Consulate events and has visited the United States on numerous occasions. In spring 2009, Chen visited the United States with a delegation that was organized by the State Intellectual Property Office, meeting with a host of U.S. IP-related organizations and USG offices. Chen speaks fluent English and is outgoing. He has noted that he will soon retire since he is close to the mandatory retirement age of 65. After leaving the Shanghai IP Administration, Chen said he has been tapped to take a seat in the SMPC.

Director General of Shanghai Copyright Bureau Jiao Yang

- 16. (SBU) Jiao Yang was born in August 1957 in Jinan City, Shandong Province. She graduated from Fudan University in Shanghai and subsequently served as the party secretary of the Fudan Communist Youth League in Shanghai. She then became the Vice Director of the Information Office of Shanghai Municipal Government and served as the spokesperson of the Shanghai Municipal Government from June 2003 to February 2008. At the end of February 2008, she was appointed as the Director General of the Shanghai Copyright Bureau.
- 17. (SBU) Jiao is self admittedly new to IPR, but she shows a strong interest in strengthening copyright protection in Shanghai. She said that she is very interested in cooperating with the U.S. Consulate. She noted that she has been to the United States several time both in professional and personal capacities; however, she does not speak English. Jiao has a bubbly personality and seems very confident and comfortable speaking with foreigners.

- 18. (SBU) Chen Xuejun, a native of Shanghai, received his MBA through a joint program between the Asian International Open University (Macao) and Shanghai's Jiaotong University. He also studied at the University of Pennsylvania from May 1998 to January 1999. Chen currently serves a the Deputy Director of Shanghai Administration of Industry and Commerce (in charge of all trademark-related issues), the Director of the Shanghai Trademark Association, and Director of the Shanghai Anti-counterfeiting Alliance. Prior to his appointment, he worked as the Party Secretary of the Communist Youth League in Shanghai's Xuhui District, and as the Party Secretary of the Department of Propaganda of Xuhui District.
- 19. (SBU) Chen is reserved but friendly. He has strongly supported cooperation with the U.S. Consulate, and regularly attends Consulate events. He has also been instrumental in helping resolve several trademark disputes involving U.S. companies. Chen understands English, but is reluctant to speak English. He prefers to speak with English-speaking interlocutors through an interpreter.

The Next Shanghai IP Administration Director - Lu Guoqiang

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- 110. (SBU) Lu Guoqiang was born in August, 1957. He received his Bachelor's Degree in Law from Fudan University and a Master's Degree in Law from the Shanghai Academy of Social Sciences. Lu previously worked as a senior academic visitor at Harvard University, the University of British Columbia, and the Max Planck Institute for Intellectual Property. He also worked as a research associate at Jiaotong University and Fudan University. Lu Guoqiang has also served as the Vice Director of the Research Center of the Shanghai High Court; and Director of the IP Division of the Shanghai High Court. Lu also served as a member of the Judicial Committee of the Shanghai High Court; and Vice Director of Shanghai Number 2 Intermediate Court. In addition, he has worked as an adjunct professor at Tongji University since 2004. Lu currently serves as the Vice Director of the Shanghai IP Administration.
- (SBU) Lu Guoqiang has worked on IP-related cases since the <u>¶</u>11. 1980s. He took the lead in applying statutory damages in infringement cases and combining civil, administration and criminal IP case trials into one tribunal. His research areas include: IP law, civil law, civil procedure law, and judicial systems. His articles have been published in the publication "China Legal Science" and other magazines based in Hong Kong and the United States. Lu is by far one of the most knowledgeable officials on IPR in Shanghai. Not only does he have his finger on the pulse of the IP administrative system, but he is also well connected to the academic and judicial community. Lu has not yet been actively engaged with the U.S. Consulate, but in spring 2009 conversations with Econoff, he has noted his strong support for continued cooperation with the USG. Lu will likely take over the top spot at the Shanghai IP Administration within the next year, and his nomination for the position likely reflects Shanghai's awareness of the need to bring yet more depth and experience to handling IPR policy and IPR issues in the city. CAMP